

NEW ORLEANS 24/7, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2000
(SEE ACCOUNTANTS' REPORT)

Ericksen, Krentel, Canton & LaPorte, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 Canal Street

New Orleans, Louisiana 70119-5996

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Erickson, Krentel, Canton & LaPorte, L.L.P.

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RONALD H. DAWSON (Retired 1995)

June 28, 2001

To the Board of Directors of
New Orleans 24/7, Inc.
New Orleans, Louisiana 70113

We have compiled the accompanying statement of financial position of New Orleans 24/7, Inc. (a non-profit organization) as of December 31, 2000 and the related statements of activities and cash flows for the year then ended, in accordance with the statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.


Certified Public Accountants

NEW ORLEANS 24/7, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2000

(See Accountants' Report)

ASSETS:

Cash and cash equivalents	\$	2,113
Contracts receivable		28,088
Computer equipment - at cost, less accumulated depreciation of \$228		<u>2,052</u>
Total assets	\$	<u>32,253</u>

NET ASSETS:

Unrestricted	\$	<u>32,253</u>
Total net assets	\$	<u>32,253</u>

NEW ORLEANS 24/7, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2000

(See Accountants' Report)

UNRESTRICTED NET ASSETS

Support and revenue:

Support:

Grants and contracts	\$ 91,000
Contributions	7,080
Fund-raising	<u>6,600</u>
Total support	<u>104,680</u>

Revenue:

Interest income	439
Other income	<u>73</u>
Total revenue	<u>512</u>

Total support and revenue	<u>105,192</u>
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Expenses:

Program services	<u>63,709</u>
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Supporting services:

General and administrative	10,508
Fund-raising	<u>2,422</u>

Total supporting services	<u>12,930</u>
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Total expenses	<u>76,639</u>
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Change in unrestricted net assets	28,553
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Net assets, beginning of year	<u>3,700</u>
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Net assets, end of year	<u>\$ 32,253</u>
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NEW ORLEANS 24/7, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2000

(See Accountants' Report)

CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES:

Change in net assets	\$ 28,553
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation	228
(Increase) in contracts receivable	<u>(28,088)</u>
Net cash provided by operating activities	<u>693</u>

CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES:

Purchase of computer equipment	<u>(2,280)</u>
Net cash (used for) investing activities	<u>(2,280)</u>
Net (decrease) in cash and cash equivalents	(1,587)
Cash and cash equivalents at beginning of year	<u>3,700</u>
Cash and cash equivalents at end of year	<u>\$ 2,113</u>

NEW ORLEANS 24/7, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

(See Accountants' Report)

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

New Orleans 24/7, Inc. (the Organization) is a non-profit corporation organized to market the city of New Orleans as a prime residential destination with the intent of increasing the city's population and building a stronger community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all certificates of deposits and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fixed Assets

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the following estimated useful life:

Computer equipment

5 Years

NEW ORLEANS 24/7, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

(See Accountants' Report)

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted and Unrestricted Contributions

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Services

No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services and in its fund-raising campaigns.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. In addition, the Organization qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Advertising

Advertising costs are charged to expense when incurred. Advertising expense for the year ended December 31, 2000 was \$7,392.

(2) **STATEMENT OF CASH FLOWS SUPPLEMENTARY DISCLOSURES**

Cash paid during the year for interest was \$28.

(3) **GRANTS AND CONTRACT RECEIVABLE AND REVENUE**

The Organization recognized revenue arising from a contract with the State of Louisiana – Department of Culture, Recreation and Tourism. Terms of the contract provide for reimbursement of certain program costs up to \$46,000.

In addition, the Organization received grant revenue in the amount of \$45,000 from the Louisiana Stadium and Exposition District Legislative Grant Program. Terms of the contract include a rigorous compliance monitoring program to assure that adequate oversight is exercised.

NEW ORLEANS 24/7, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

(See Accountants' Report)

(3) GRANTS AND CONTRACT RECEIVABLE AND REVENUE (CONTINUED)

The Organization feels that all contract amounts are fully collectible, therefore, no allowance has been made for uncollectible receivables.

(4) FIXED ASSETS AND DEPRECIATION

The cost of such assets at December 31, 2000 are as follows:

Computer equipment	\$	2,280
Less: accumulated depreciation		<u>(228)</u>
	\$	<u>2,052</u>

Depreciation expense for the year ended December 31, 2000 was \$228.

(5) CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist principally of contract receivables. The Organization's policy is to not require these amounts to be collateralized.

The Organization maintains cash balances with a federally insured financial institution located in New Orleans, Louisiana. At December 31, 2000, all amounts were insured.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
New Orleans 24/7, Inc.
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of New Orleans 24/7, Inc. and the Legislative Auditor, State of Louisiana solely to assist the users in evaluating management's assertions about New Orleans 24/7, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2000. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

New Orleans 24/7, Inc.'s award expenditures for all state programs for the fiscal year follow:

State Grant Name	Grant Year	Amount
Department of Culture, Recreation and Tourism	2000	\$ 46,000
Louisiana Stadium and Exposition District		
Legislative Grant Program	2000	30,639
Total Expenditures		\$ 76,639

2. For each Federal, state, and local award, we randomly selected 6 disbursements for each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

To the Board of Directors
New Orleans 24/7, Inc.
June 28, 2001
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3. For the items selected in procedure 2, we traced the six disbursements supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the treasurer who signed each of the checks.

6. For the items selected in procedure 2 for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed

We reviewed the previously listed disbursements for types of services allowed or not allowed. No exceptions were found.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. No exceptions were found.

Reporting

We reviewed the previously listed disbursements for reporting requirements. No exceptions were found.

Meetings

7. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meeting law).

To the Board of Directors
New Orleans 24/7, Inc.
June 28, 2001
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We inquired of management and found that all meetings met the open meetings law.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

New Orleans 24/7, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent which such matters have been resolved.

This was the first year of the Organization requiring agreed-upon procedures, therefore there were no prior comments and recommendations.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of New Orleans 24/7, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 28, 2001


Certified Public Accountants